A Study of Customer Value Proposition and Behavioural Intentions across Offline and Online Retailing

SHORT SYNOPSIS

Submitted in partial fulfillment of the requirement of the degree of

DOCTOR OF PHILOSOPHY

to

Manav Rachna University

by

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DECLARATION BY THE SCHOLAR

I hereby declare that the short synopsis entitled "A study of Customer Value Proposition and behavioral intentions across offline and online retailing" being submitted in partial fulfillment of the requirement for the degree of Doctor of Philosophy in the Department of Management and Commerce under the School of Management & Commerce of Manav Rachna University, Faridabad during the academic year 2022-23.

It is the work that is expected to be carried out under the supervision of Dr. Parul Jhajharia and co-supervision of Dr. Rajat Gera.

Further, it is declared that the short synopsis is within the plagiarism limit and copy of the same is attached as per the University norms.

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ABSTRACT

Indian retail industry has been experiencing a rapid revolution with changing customer priorities and emerging expectations over the past few decades. The industry is getting more competitive as consumers get more value conscious with more choices to explore. The entire potential of studying customers' valuation of online shopping as part of multichannel retail has not yet been explored. In the field of retailing, conceptual and dimensional approaches to customer value are splintered, and a combined perspective that takes into account a variety of channel forms and situations is lacking. Although a number of researchers have done various studies around customer satisfaction, service quality and customer perceived value, additional study is required to determine the linkage between the variables and the effects they have on consumer behavior. This study intends to address the effect that several categories of perceived customer value, such as functional, emotional, economic, and symbolic, have on the overall level of customer satisfaction as well as the behavioral intention of the consumer. This is handled in a distinct manner for customers shopping for goods either online or in physical stores.

Keywords: Offline retail, Online retail, Consumer behavior, Consumer Value, Perceived Value, dimensions of customer value

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1. INTRODUCTION

The retail industry is characterized by a "commoditization" of stores, which contributes to the industry's high level of competition. Especially in light of recent technology breakthroughs that have given rise to a range of new communication and retailing channels customers are becoming more value-conscious (Hodges and Davis, 2012; Sweeney and Soutar, 2001). According to Kumar & Ayodeji (2021) the retail industry is getting increasingly consolidated and concentrated, while at the same time the level of competition is growing, Allaway et al., (2011). In order to improve the quality of the multichannel customer experience, retailers are placing a greater emphasis on the online channel, Ahrholdt (2011).

World-famous brick-and-mortar businesses like Wal-Mart, Nordstrom, and Woolworths are investigating online sales to see if it may help accelerate their expansion. As advancements are made in merging retail processes across several channels, the "brick and click" business model is rapidly evolving providing better benefits and unique services to customers. This is happening as a result of the integration of retail operations across numerous channels (Oh et al., 2012). As a result, multichannel merchants in all national markets must consider how customers make decisions in technologically influenced environments, Badrinarayanan et al., (2012).

Academics have requested more research on the incorporation of the online channel and cross-channel outcomes in customer purchasing behavior, Maity and Dass (2014). Consumer decisions are influenced by the consistency of a brand across multiple retail channels, as well as the ease of use provided by an online channel in comparison to those provided by the retailer's other channels (Carlson and O'Cass, 2011; Badrinarayanan et al., 2012). However, little research has been conducted on how customers perceive value in online and cross-channel interactions versus offline channels, Shukla & Banerjee (2014). This is due to the internet and cross-channel settings. Consumer value assessments in e-commerce and cross-channel contexts have received insufficient attention in research on perceived value in the online world, which is limited to a single-channel mindset (e.g. Barrutia and Gilsanz 2013). The result is a lack of a thorough understanding of the drivers which create value, which look at and Omnichannel and cross channel buying behavior.

As a component of multi-channel retailing, there has been relatively little research conducted specifically on how consumers understand value when they shop online (Carlson, 2015). The retail industry's dimensional and conceptual approaches to customer value are disconnected from one

another, and there is a lack of an integrated perspective that encompasses a variety of channel formats and circumstances. Even though a great number of academics have carried out a lot of studies on customer satisfaction, quality of service and customer perceived value, it is still necessary to conduct additional research in order to determine the precise linkages between the variables and the impacts that they have on consumer behavior, Hu (2012).

The existing body of research on the topic of customer value in retailing will be compiled, analysed, and new avenues of research will be suggested as a result of this study. The Customer Value Proposition (CVP) of a business is a promise of possible values that the firm will give to its customers through its product or service in order to promote customer involvement. In the course of this research, the following important aspects of customer value will be investigated in relation to both online and traditional forms of retailing:

Offline	Online
Functional Value	Service Performance Value
Emotional Value	Emotional Value
Economic Value	Monetary Value
Symbolic Value	Brand Integration Value
Perceived value	Convenience Value
Customer Satisfaction	
Behavioral Intention	

2. LITERATURE REVIEW AND RESEARCH GAPS

Study conducted by Adapa et al, (2020) uses intelligent retail technology to examine perceived shopping value. This affects store loyalty and smart retail technology adoption. This study suggests consumer innovation moderates these connections. The study methodology was tested using survey responses from 338 genuine consumers who had utilised smart retail equipment. The study provides a

deeper knowledge of customer adoption of smart retail technology, which may assist managers build adoption strategies for successful in-store implementation.

According to Cheah et al. (2020), Luxury shoppers are studied in this research. This study questioned 400 consumers to evaluate how price image affects shopper observations and behaviour. Sugrophobia's moderating effect is analysed in S–O–R. The price image of a retailer influences consumers' apparent value and belief. Sugrophobia hurts price and consumer perception. The study emphasises the importance of managing sugrophobic customers in a luxury retail store. Discussion on study's implications.

Graciola et al. (2020) analyses the correlation between store layout and customers' perceptions of the store, familiarity with the brand, and intent to buy. Informational questionnaires were collected through in-person interviews with Brazilian shoppers. A total of 298 shoppers were selected at random from each retail format. The findings showed that a combination of the store's image and the mediators, apparent significance and product consciousness, positively influenced customers' intent to buy. Brand familiarity and intent to purchase were not affected by the presence or absence of a particular store type. Brand recognition and customer valuation are both increased by a well-designed storefront. Due to supermarkets' inability to keep up with demand, mini-markets have proliferated in Brazil. In this study respondents were asked to envision store images in the city streets, which may have altered several characteristics. This article proposed a mediated-moderated model with management implications that included store image as a factor influencing buying behaviour.
Natale &. Pradas (2021) describes that online purchasing changed customer behaviour. Organizations must build channel offers and management to suit consumers' desires. This implies forecasting multi-channel preferences and behaviours. This study examines channel preference and multi-channel commerce based on value creation and consumer value perception. The report provides firms with concrete insight on how to handle their multi-channel contribution to enhance revenue.

Alamsyah and Syarifuddin (2021) customer trust is important for companies, particularly for organic goods that have dissimilar characteristics than ordinary goods. This study was conducted on the impact of a retailer's image as an organic product vendor on client faith, communal accountability, and apparent significance. This research article helps firms analyse green marketing strategies and encourages studying ecologically friendly products to combat "global warming."

While independent studies have been done around the world on customer value proposition in retail

and mainly around supermarkets, a comprehensive study covering key dimensions of customer value across retail channels is missing. Prior research on multichannel shopping has been lacking in its ability to explain the factors that influence shoppers' loyalty regardless of whether they make an in-store or online purchase.

Research Questions

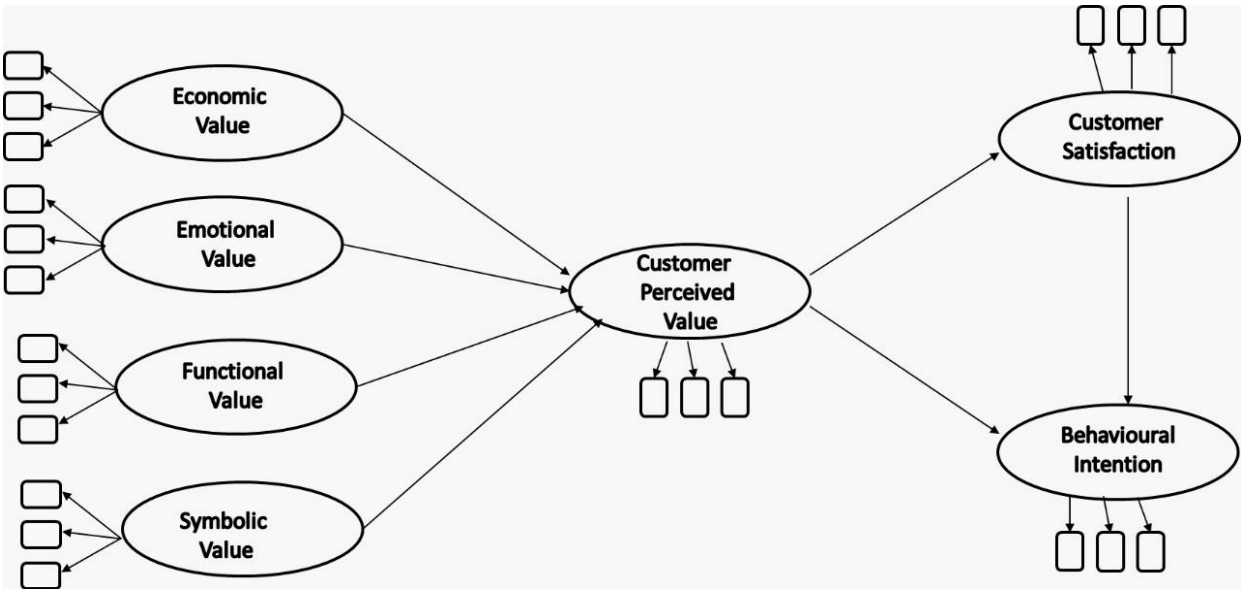
1. What antecedents of perceived customer value influence offline retail customer happiness and behavior?

2. What factors influence customer happiness and loyalty in online retail?

3. RESEARCH OBJECTIVES

1. To develop conceptual framework on Customer Value Proposition showing relationship of various value dimensions with customer satisfaction and hence behavioral intention for Offline Retail.
2. To develop conceptual frameworks on Customer Value Proposition showing relationship of various value dimensions with customer satisfaction and hence loyalty intention for Online Retail.

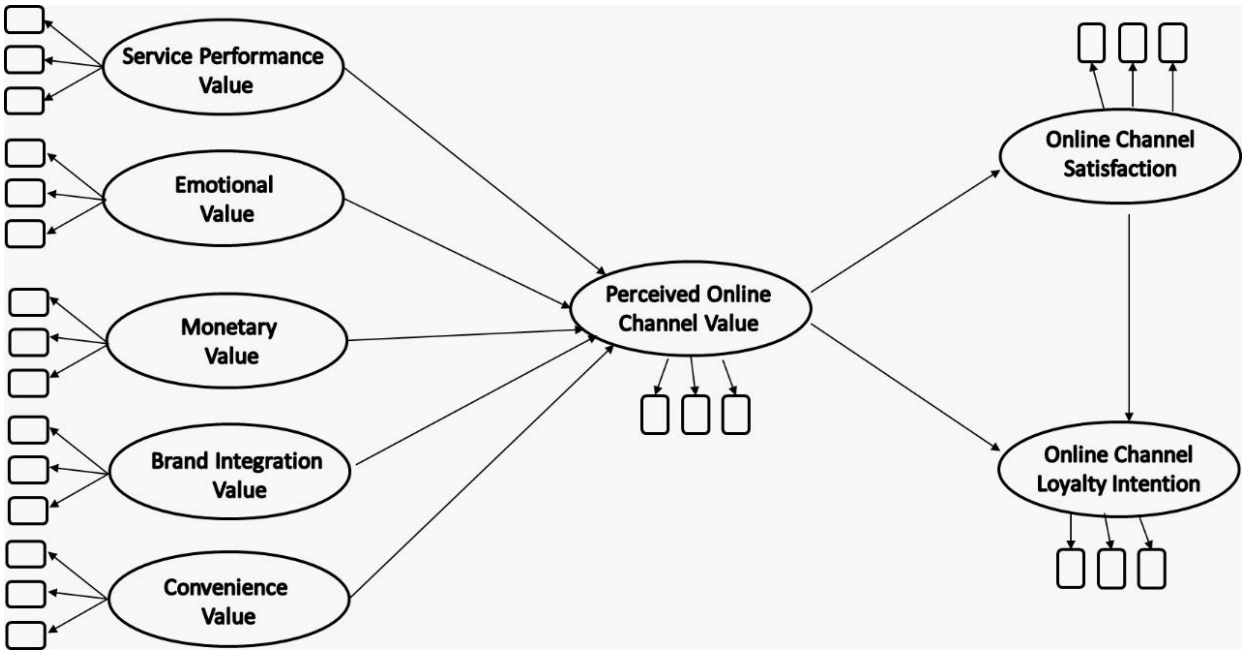
The Proposed Model- Offline



Variable	Measure (preceded by "When shopping with this retailer"	Key Theoretical Background
Economic Value		
EV1	I save money	Diep and Sweeney (2008), Kintamaki et al (2006), Sweeney and Soutar (2001)
EV2	I get the products at a good price	
EV3	I benefit from sale offers/discounts	
Functional Value		
FV1	I get all the products I need at one time	Diep and Sweeney (2008), Kintamaki et al (2006),
FV2	I get all the products I need quickly	
FV3	I get all the products I need conveniently	
FV4	I find the products easily	
Emotional Value		
EMV1	I end up in a good mood	Diep and Sweeney (2008), Kintamaki et al (2006), Sweeney and Soutar (2001)
EMV2	It gives me pleasure	
EMV3	I feel at ease	
EMV4	I enjoy myself	
Symbolic Value		
SMV1	I make a good impression on others through my choice of retailer	Diep and Sweeney (2008), Kintamaki et al (2006), Sweeney and Soutar (2001)
SMV2	I find products that make a good impression of myself with others	
SMV3	Others approve of my choice of retailer	

Variables	Measure	Key Theoretical Background
Perceived Value		
PV1	The convenience store provides me good value compared to others	Ryu et al. (2008), Sweeney and Soutar (2001), Lee and Overby (2004)
PV2	The shopping experience in convenience store was worth the money	
PV3	Making a purchase from this convenience store is an efficient way to manage my time	
PV4	This convenience store offers a wide selection of products/services, which meets my needs	
Customer Satisfaction		
SAT1	I am very satisfied with my overall experience at this convenience store	Oliver (1997), Ryu et al. (2008)
SAT2	I felt enjoyable to go shopping at this convenience store	
SAT3	Overall, I am satisfied with the decision to purchase from this convenience store	
Behavioural Intention		
BI1	I would like to come back to this convenience store in the future	Zeithaml et al. (1996)
BI2	I would recommend this convenience store to my friends or others	
BI3	I would say positive things about this convenience store to others	
BI4	I would encourage others to go to this convenience store	

Proposed model- Online



Service performance valuex`x`

PV1: The Website delivers a service that is exactly what I want

PV2: The Website delivers quality services

PV3: The Website delivers services with innovative performance features

Emotional value

In general, when I use this Website I feel:

EV1: Happy

EV2: Stimulated

EV3: Excited

Monetary value

MV1: The pricing policies on the Website are fair

MV2: The Website provides me with consistent and accurate pricing policies

MV3: The pricing policy on the Website are more beneficial for me than that of competitors

Perceived value

PCV1: The Website/app provides me great value as compared to others

PCV2: The shopping experience on the website/app was worth the money

PCV3: Making a purchase from this website/app is an efficient way to manage my time

Brand integration value

BIV1: The Website's image matches that of this retailer

BIV2: This Website projects an image consistent with the retailer's image

BIV3: The image portrayed of the retailer is the same as this Website

Convenience value

CV1: This Website is easier to use than calling on the phone or visiting in-store for service

CV2: It is easier to use this Website for information/purchasing rather than other channels (e.g.visit the atore, phone, or catalogue)

CV3: This Website is an alternative to calling customer service or visiting the retailer

Online channel satisfaction

SAT1: I am satisfied with this Website

SAT2:My choice to use this Website was awseome

SAT3: The Website does a good job of satisfying my needs

Online channel loyalty intention

OCLI1: I will purchase from this retailer's Website in the future

OCLI2: I will revisit this retailer's Website in the future

OCLI3: I will say positive things about this retailer's Website to others

4. RESEARCH METHODOLOGY

4.1 Collection of data

The data compilation for the study will be done on the basis of primary data. Primary data collected through following tools:

a. Questionnaires
b. Personal Interviews
c. Sampling
d. Online Interviews

A pilot study was carried out by conducting in-person interviews with 25 to 30 respondents. Pilot studies are an essential component of a well-designed research investigation. Conducting a pilot study prior to the primary research endeavour does not ensure that the primary research endeavour will be

successful, but it does raise the possibility that it will. Pilot studies serve a variety of vital tasks and have the potential to give other researchers with insightful and useful information.

Further, 651 valid & complete consumer responses with below sets of customers through separate questionnaires were considered for this research:

1. Primarily offline & multichannel customers (n=352)
2. Regular online buyers with a high preference towards online (n=299)

4.2 Sample Selection

For collection of samples, purposive sampling technique was used and the respondent's choice was conducted based on the following:

(a) For offline - the person has shopped in the physical outlet in the last 6 months

(b) For online - the person has shopped on a e-commerce app or website in the last 6 months

The control parameters were gender (male and female) and age group: (a) less than 20 years, (b) 20 years and upto 40 years, and (c) above 40 years.

The concept of "purposive sampling" accumulates a bunch of sampling techniques wherein units are selected since they contain characteristics that are required in a sample. This type of sampling is not considered to be completely based on non-probability. To put in more simply, the researcher chooses the units to be included in the sample "on purpose" under this sampling technique. This technique is also referred to as judgmental sampling as it is dependent on researcher's judgement for identification and selection of the individuals, events, or cases which provide the maximum information required to achieve the study objectives. In qualitative and other mixed-methods research, it is a common practice to identify and choose samples basis a purpose already defined. It is of extreme use if the need is to identify cases including the required information or ensuring the resources available are utilized fully.

4.3 Data Analysis

For analyzing the data and to test the hypotheses, multivariate regression modeling and SEM method were used through SPSS & AMOS software. Both AMOS 23 and structural equation modeling are

standard techniques that are extensively approved and that have been utilized over the previous decade due to their skill at calculating path estimates as well as at modeling parameters under non-normality. These are also recommended for a large sample size. Two steps were utilized to conduct data analysis: The first step involved the growth and evaluation of the measurement model (CFA); the next step involved the growth of an entire structure equation model, Gerbing and Anderson (1988). With the help of these software 2 conceptual models for offline and online were developed and analyzed.

4.4 Hypothesis Formation

Offline:

H_1	*Economic Value has positive and significant effect on Customer Perceived Value in offline retail.*
H_2	*Emotional Value has positive and significant effect on Customer Perceived Value in offline retail.*
H_3	*Functional Value has positive and significant effect on Customer Perceived Value in offline retail.*
H_4	*Symbolic Value has positive and significant effect on Customer Perceived Value in offline retail.*
H_5	*Customer Perceived Value has positive and significant effect on Customer Satisfaction in offline retail*
H_6	*Customer Satisfaction has positive and significant effect on Behavioral Intention in offline retail*
H_7	*Customer Perceived Value has positive and significant effect on Behavioral Intention in offline retail*

Online

H_8	*Service Performance Value has positive and significant effect on Perceived Online Channel Value in online retail*
H_9	*Emotional Value has positive and significant effect on Perceived Online Channel Value in online retail*
H_{10}	*Monetary Value has positive and significant effect on Perceived Online Channel Value in online retail*
H_{11}	*Brand Integration Value has positive and significant effect on Perceived Online Channel Value in online retail*
H_{12}	*Convenience Value has positive and significant effect on Perceived Online Channel Value in online retail*
H_{13}	*Perceived Online Channel Value has positive and significant effect on Online Channel Loyalty Intention in online retail*
H_{14}	*Perceived Online Channel Value has positive and significant effect on Online Channel Satisfaction in online retail*
H_{15}	*Online Channel Loyalty Intention has positive and significant effect on Online Channel Satisfaction in online retail*

5. EXPECTED OUTCOME OF THE RESEARCH

Frameworks and recommendations from the study will be helpful for stores having both an online and offline presence.

1. To survive and maintain their business in the changing, competitive Indian retail market, and

2. To increase customer pleasure by providing an improved value proposition

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